

AMENDED IN ASSEMBLY MARCH 20, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 64

Introduced by Assembly Member Murray
(Principal coauthor: Senator Polanco)

December 4, 1996

An act to ~~add Part 68 (commencing with Section 100400) to, and to add Part 69 (commencing with Section 100600) to, the Education Code, relating to school facilities, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds; amend Sections 17620 and 17621 of, to add Chapter 2 (commencing with Section 100400) to Part 66 of, and to repeal Section 17046.8 of, the Education Code, and to amend Sections 65995, 65996, and 66007 of, and to add Section 65995.4 to, the Government Code, relating to education facilities funding, by providing the funds necessary therefor through an election for, and the issuance and sale of, bonds of the State of California and by providing for the handling and disposition of those funds.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 64, as amended, Murray. Bonds: educational facilities.

(1) The Leroy F. Greene State Building Lease-Purchase Law of 1976 (hereafter the Greene Act) provides for the acquisition and construction of facilities by the state and the lease-purchase of those facilities by school districts.

~~The Public Education Facilities Bond Act of 1996 provides for the issuance, pursuant to the State General Obligation Bond Law, of bonds in amounts not to exceed \$3,000,000,000, exclusive of refunding bonds, issued pursuant to that act, and the expenditure of \$2,025,000,000, of the proceeds therefrom to provide aid to school districts, county superintendents of schools, and county boards of education, as specified, in accordance with the Greene Act and related school facilities programs, as specified.~~

~~This bill would enact the 1998 Class Size Reduction Bond Act, and the 2000 Class Size Reduction Bond Act, each of which, upon approval by the state electorate, would provide for the issuance of state general obligation bonds in an amount not to exceed \$1,000,000,000, exclusive of refunding bonds, issued pursuant to that act, and the expenditure of \$1,000,000,000, of revenues therefrom to provide aid to school districts in accordance with the Greene Act.~~

~~This bill would provide that the 1998 Class Size Reduction Bond Act be submitted to the voters at the June 2, 1998, primary election, in accordance with specified law.~~

~~This bill would provide that the 2000 Class Size Reduction Bond Act be submitted to the voters at the June 6, 2000, primary election in accordance with specified law.~~

Existing law provides that the maximum allowable building area for each applicant district under the Greene Act shall be reduced by the product of the maximum area per attendance unit calculated for each appropriate grade level and the number of pupils reported by the Superintendent of Public Instruction for that grade level.

This bill would repeal this provision relating to the reduction of the maximum allowable building area. This provision would become operative on January 1, 1998.

(2) Existing law authorizes certain local agencies to impose limited fees or other charges against certain development projects to fund the construction or reconstruction of school facilities. Under existing law, a building permit may not be issued for any development absent certification by the appropriate school district of compliance by the development project with the fee, charge, dedication, or other requirement levied by the governing board of that school district. If the

governing board of the school district specifies, payment of the fee or charge on residential development shall not be required until the date of the final inspection or the date the certificate of occupancy is issued, whichever occurs first. For residential development, the limit on fees is \$1.50 per square foot and for commercial development the limitation is 25¢ per square foot excluding permissible adjustment for inflation, as specified. Existing law prohibits the legislative body of a local agency from levying development fees or other requirements for the construction or reconstruction of schools, other than pursuant to designated statutory authority.

This bill would replace the \$1.50 per square foot limit with a limit of an unspecified amount. The bill would provide, on or after January 1, 1998, that, with respect to single-family developments, any fee, charge, dedication, or other requirement shall be deferred until close of an escrow for the first affected single-family dwelling unit in the development, or as to multifamily developments, until the close of a permanent financing escrow following the completion of the development. To be eligible for the deferral, the residential development project must meet one or more of the following requirements: (a) 10% of the rental units are for very low income households; (b) 49% of the rental units are for lower income households; (c) 10% of the for-sale units meet specified affordable housing cost requirements for very low income households; or (d) 49% of the for-sale units meet specified affordable housing cost requirements for lower income households.

This bill would prohibit fees or other requirements for the construction or reconstruction of schools from being levied or imposed in connection with, or made a condition of, any legislative or administrative act, or both, by any local agency involving, but not limited to, the planning, use, or development of real property, other than pursuant to designated authority. The bill would provide for an additional fee, charge, dedication, or other requirement of up to \$1 per square foot of assessable space if specified conditions are met. A school district could impose that additional fee only if the school district has applied, and is eligible, for funds under the Leroy F. Greene State School Building Lease-Purchase Law

of 1976 and has incurred bonded indebtedness in an amount not less than 15% of its bonding capacity or has received approval by a majority of the voters on a proposal to incur bonded indebtedness in an amount not less than 15% of its bonding capacity.

(3) The Public Education Facilities Bond Act of 1996 provides for the issuance, pursuant to the State General Obligation Bond Law, of bonds in an amount not to exceed \$2,025,000,000 and the expenditure of the proceeds therefrom to provide aid to school districts, county superintendents of schools, and county boards of education, as specified, in accordance with the Greene Act and related school facilities programs, as specified.

This bill would enact the Polanco-Murray Class Size Reduction and Public Education Facilities Bond Act which, upon approval by the state electorate, would provide for the issuance of state general obligation bonds in an amount not to exceed \$4,000,000,000, exclusive of refunding bonds, issued pursuant to that act, and the expenditure of revenues therefrom to provide aid to school districts, as specified.

This bill would create the State School Building Fund, into which the bond proceeds would be deposited.

The bill would provide that a school district may expend up to 75% of the proceeds allocated to it under the Polanco-Murray Class Size Reduction and Public Education Facilities Bond Act for specified school building construction projects. The bill would state the intent of the Legislature that school districts give first priority for the use of the bond proceeds to assist with the facilities-related costs associated with fully participating in the Class Size Reduction Program.

This bill would provide that, of the bond proceeds authorized under the Polanco-Murray Class Size Reduction and Public Education Facilities Bond Act to be used for specified school building construction projects, the Superintendent of Public Instruction shall allocate not more than an unspecified percentage in an equal amount per pupil, with each school district in the state entitled to receive an allocation for each pupil enrolled in kindergarten and grades 1 to 12, inclusive, in the school district in the prior school year. The bill would authorize the Superintendent of Public

Instruction to allocate no more than an unspecified percentage of these funds to assist school districts with financial hardships, as specified.

The bill would provide that, of the bond proceeds authorized under this act to be used for specified school building construction projects, the Superintendent of Public Instruction shall allocate not more than an unspecified percentage based upon the number of unhoused pupils in each school district in the prior school year, as specified.

The bill would provide that a school district may expend up to 25% of the bond proceeds allocated to it under the Polanco-Murray Class Size Reduction and Public Education Facilities Bond Act for capital outlay needs related to education technology and that the Superintendent of Public Instruction shall allocate those bond proceeds in an equal amount per pupil, with each school district in the state entitled to receive an allocation for each pupil enrolled in kindergarten and grades 1 to 12, inclusive, in the school district in the prior school year.

(4) Existing law prescribes the exclusive methods that may be required by local agencies to mitigate environmental effects related to the adequacy of school facilities when considering, under the California Environmental Quality Act (CEQA), the approval, or the establishment of conditions for the approval, of a development project. Existing law prohibits a public agency, in the exercise of its authority to adopt general plans, zoning laws, and other land use legislation, from either denying approval of a project on the basis of the adequacy of school facilities or imposing conditions, other than the requirement to pay the limited school facilities fees, on the approval of a project for the purpose of providing school facilities. Existing law also provides that the restrictions described above upon the mitigation of environmental effects under CEQA apply to both administrative and legislative action taken by a public agency under CEQA.

This bill instead would prohibit a state or local agency from considering the adequacy of school facilities, whether or not it is a condition contained in an existing legislative enactment, in connection with any legislative or administrative act, or both, involving, but not limited to, the planning, use, or

development of real property, except as specified. The bill would eliminate the reference to the mitigation of environmental effects under CEQA. The bill would instead refer to mitigation of the effects related to the adequacy of school facilities and would provide that the restrictions described above apply in connection with any legislative or administrative action, or both, by any local agency involving, but not limited to, the planning, use, or development of real property or any change of governmental organization or reorganization, as defined.

(5) This bill would provide that the Polanco-Murray Class Size Reduction and Public Education Facilities Bond Act be submitted to the voters at the June 2, 1998, primary election, or at an earlier statewide general election, if such an election is held, in accordance with specified law.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1.—Part 68 (commencing with Section~~

2 *SECTION 1. (a) It is the intent of the Legislature, in*
 3 *enacting Sections 3, 4, 6, and 8 of this act, to accomplish*
 4 *the following:*

5 *(1) To legislatively reverse the holdings reached by*
 6 *the California Courts of Appeal in Mira Development*
 7 *Corp. v. City of San Diego (1988), 205 Cal. App. 3d 1201;*
 8 *William S. Hart Union High School District v. Regional*
 9 *Planning Commission of the County of Los Angeles*
 10 *(1991), 226 Cal. App. 3d 1612; and Murrieta Valley Unified*
 11 *School District v. County of Riverside (1991), 228 Cal.*
 12 *App. 3d 1212, by furthering the state preemption of*
 13 *financing the construction or reconstruction of school*
 14 *facilities and mitigating the impacts of land use approvals*
 15 *on the need for, or impact on, school facilities and*
 16 *providing that the scope of the state preemption in this*
 17 *area includes the financing of school facilities and the*
 18 *mitigation of land use approvals, whether legislative,*
 19 *administrative, or adjudicative, on the need for school*
 20 *facilities. More particularly, it is meant to prohibit local*

1 agencies, including any local agency formation
2 commission, from considering whether school facilities
3 are adequate to serve enrollment, as part of the land use
4 process.

5 (2) To limit the amount of fees, charges, dedications,
6 or other requirements that may be imposed, directly or
7 indirectly, on the development or construction of real
8 property, in connection with the construction or
9 reconstruction of school facilities, to the amount
10 authorized in Section 65995 of the Government Code.

11 (b) The Legislature finds and declares that the
12 adoption of a reasonable and appropriate schedule of fees
13 pursuant to subdivision (b) of Section 65995 of the
14 Government Code is necessary to assist cities and
15 counties to accomplish the state goals of ensuring that
16 excessive fees do not render housing unaffordable and
17 that homeownership is a realistic opportunity for the
18 state's residents, including those residents of low and
19 moderate income.

20 SEC. 2. Section 17046.8 of the Education Code is
21 repealed.

22 ~~17046.8. Notwithstanding any other provisions of law,~~
23 ~~the maximum allowable building area for each applicant~~
24 ~~district shall be reduced by the product of the maximum~~
25 ~~area per attendance unit calculated for each appropriate~~
26 ~~grade level and the number of pupils reported by the~~
27 ~~Superintendent of Public Instruction for that grade level~~
28 ~~pursuant to Section 42268. This reduction shall be~~
29 ~~calculated on the basis, at the district's option, of either~~
30 ~~the district as a whole or the appropriate attendance area,~~
31 ~~as defined in Section 17041.~~

32 SEC. 3. Section 17620 of the Education Code is
33 amended to read:

34 17620. (a) (1) The governing board of any school
35 district is authorized to levy a fee, charge, dedication, or
36 other requirement against any development project
37 within the boundaries of the district, for the purpose of
38 funding the construction or reconstruction of school
39 facilities, subject to any limitations set forth in Chapter 4.9
40 (commencing with Section 65995) of Division 1 of Title

1 7 of the Government Code. This fee, charge, dedication,
2 or other requirement may be applied to construction only
3 as follows:

4 (A) To new commercial and industrial construction.
5 The chargeable covered and enclosed space of a
6 commercial or industrial development project, as defined
7 in Section 65995 of the Government Code, shall not be
8 deemed to include the square footage of any structure
9 existing on the site of that development project as of the
10 date the first building permit is issued for any portion of
11 that development project.

12 (B) To new residential construction.

13 (C) To other residential construction, only if the
14 resulting increase in assessable space, as defined in
15 Section 65995 of the Government Code, exceeds 500
16 square feet. The calculation of the “resulting increase in
17 assessable space” for this purpose shall reflect any
18 decrease in assessable space in the same residential
19 structure that also results from that construction. Where
20 authorized under this paragraph, the fee, charge,
21 dedication, or other requirement is applicable to the total
22 resulting increase in assessable space.

23 (2) For purposes of this section, “development
24 project” means any project undertaken for the purpose
25 of development, and includes a project involving the
26 issuance of a permit for construction or reconstruction,
27 but not a permit to operate.

28 (3) For purposes of this section, “construction or
29 reconstruction of school facilities” does not include any
30 item of expenditure for any of the following:

31 (A) The regular maintenance or routine repair of
32 school buildings and facilities.

33 (B) The inspection, sampling, analysis, encapsulation,
34 or removal of asbestos-containing materials, except
35 where incidental to school facilities construction or
36 reconstruction for which the expenditure of fees or other
37 consideration collected pursuant to this section is not
38 prohibited.

39 (C) The purposes of deferred maintenance described
40 in Section 17582.

1 (4) The appropriate city or county may be authorized,
2 pursuant to contractual agreement with the governing
3 board, to collect and otherwise administer, on behalf of
4 the school district, any fee, charge, dedication, or other
5 requirement levied under this subdivision. In the event
6 of any agreement authorizing a city or county to collect
7 that fee, charge, dedication, or other requirement in any
8 area within the school district, the certification
9 requirement set forth in subdivision (b) or (c), as
10 appropriate, is deemed to be complied with as to any
11 residential development project within that area upon
12 receipt by that city or county of payment of the fee,
13 charge, dedication, or other requirement imposed on that
14 project.

15 (5) Fees or other consideration collected pursuant to
16 this section may be expended by a school district for the
17 costs of performing any study or otherwise making the
18 findings and determinations required under subdivisions
19 (a), (b), and (d) of Section 66001 of the Government
20 Code. In addition, an amount not to exceed, in any fiscal
21 year, 3 percent of the fees collected in that fiscal year
22 pursuant to this section may be retained by the school
23 district, city, or county, as appropriate, for
24 reimbursement of the administrative costs incurred by
25 that entity in collecting the fees. When any city or county
26 is entitled, under an agreement as described in paragraph
27 (4), to compensation in excess of that amount, the
28 payment of that excess compensation shall be made from
29 other revenue sources available to the school district.

30 (b) No city or county, whether general law or
31 chartered, may issue a building permit for any
32 development absent certification by the appropriate
33 school district of compliance by that development project
34 with any fee, charge, dedication, or other requirement
35 levied by the governing board of that school district
36 pursuant to subdivision (a), or of the district's
37 determination that the fee, charge, dedication, or other
38 requirement does not apply to the development project.

39 (c) If, pursuant to subdivision (c) of Section 17621, the
40 governing board specifies that the fee, charge,

1 dedication, or other requirement levied under
2 subdivision (a) is subject to the restriction set forth in
3 subdivision (a) of Section 66007 of the Government Code,
4 the restriction set forth in subdivision (b) of this section
5 does not apply. In that event, however, no city or county,
6 whether general law or chartered, may conduct a final
7 inspection or issue a certificate of occupancy, whichever
8 is later, for any residential development project absent
9 certification by the appropriate school district of
10 compliance by that development project with any fee,
11 charge, dedication, or other requirement levied by the
12 governing board of that school district pursuant to
13 subdivision (a).

14 (d) Neither subdivision (b) nor (c) shall apply to a city
15 or county as to any fee, charge, dedication, or other
16 requirement as described in subdivision (a), or as to any
17 increase in that fee, charge, dedication, or other
18 requirement, except upon the receipt by that city or
19 county of notification of the adoption of, or increase in,
20 the fee or other requirement in accordance with
21 subdivision (c) of Section 17621.

22 *(e) Notwithstanding any other provision of this*
23 *section, any fee, charge, dedication, or other requirement*
24 *levied or imposed pursuant to this section on a residential*
25 *development project that includes units for lower income*
26 *households or very low income households, as described*
27 *in paragraph (1) of subdivision (d) of Section 66007 of the*
28 *Government Code, shall be deferred pursuant to*
29 *paragraph (2) of subdivision (d) of Section 66007 of the*
30 *Government Code.*

31 *SEC. 4. Section 17621 of the Education Code is*
32 *amended to read:*

33 17621. (a) Any resolution adopting or increasing a
34 fee, charge, dedication, or other requirement pursuant to
35 Section 17620, for application to residential, commercial,
36 or industrial development, shall be enacted in accordance
37 with Chapter 5 (commencing with Section 66000) of
38 Division 1 of Title 7 of the Government Code, with
39 Section 54994.1 of the Government Code, and with the
40 procedures for mailed notice set forth in Section 54992 of

1 the Government Code. The adoption, increase, or
2 imposition of any fee, charge, dedication, or other
3 requirement pursuant to Section 17620 shall not be
4 subject to Division 13 (commencing with Section 21000)
5 of the Public Resources Code. The adoption of, or
6 increase in, the fee, charge, dedication, or other
7 requirement shall be effective no sooner than 60 days
8 following the final action on that adoption or increase,
9 except as specified in subdivision (b).

10 (b) Without following the procedure otherwise
11 required for adopting or increasing a fee, charge,
12 dedication, or other requirement, the governing board of
13 a school district may adopt an urgency measure as an
14 interim authorization for a fee, charge, dedication, or
15 other requirement, or increase in a fee, charge,
16 dedication, or other requirement, where necessary to
17 respond to a current and immediate threat to the public
18 health, welfare, or safety. The interim authorization shall
19 require a four-fifths vote of the governing board for
20 adoption, and shall contain findings describing the
21 current and immediate threat to the public health,
22 welfare, or safety. The interim authorization shall have no
23 force or effect on and after a date 30 days after its
24 adoption. After notice and hearing in accordance with
25 subdivision (a), the governing board, upon a four-fifths
26 vote of the board, may extend the interim authority for
27 an additional 30 days. Not more than two extensions may
28 be granted.

29 (c) Upon adopting or increasing a fee, charge,
30 dedication, or other requirement pursuant to subdivision
31 (a) or (b), the school district shall transmit a copy of the
32 resolution to each city and each county in which the
33 district is situated, accompanied by all relevant
34 supporting documentation and a map clearly indicating
35 the boundaries of the area subject to the fee, charge,
36 dedication, or other requirement. The school district
37 governing board shall specify, pursuant to that
38 notification, whether or not the collection of the fee or
39 other charge is subject to the restriction set forth in
40 subdivision (a) of Section 66007 of the Government Code.

1 (d) Any party on whom a fee, charge, dedication, or
2 other requirement has been directly imposed pursuant to
3 Section 17620 may protest the establishment or
4 imposition of that fee, charge, dedication, or other
5 requirement in accordance with Section 66020 of the
6 Government Code, except that the procedures set forth
7 in Section 66021 of the Government Code are deemed to
8 apply, for this purpose, to commercial and industrial
9 development, as well as to residential development.

10 (e) In the case of any commercial or industrial
11 development, the following procedures shall also apply:

12 (1) The school district governing board ~~shall~~, in the
13 course of making the findings required under
14 subdivisions (a) and (b) of Section 66001 of the
15 Government Code, *shall* do all of the following:

16 (A) Make the findings on either an individual project
17 basis or on the basis of categories of commercial or
18 industrial development. Those categories may include,
19 but are not limited to, the following uses: office, retail,
20 transportation, communications and utilities, light
21 industrial, heavy industrial, research and development,
22 and warehouse.

23 (B) Conduct a study to determine the impact of the
24 increased number of employees anticipated to result
25 from the commercial or industrial development upon the
26 cost of providing school facilities within the district. For
27 the purpose of making that determination, the study shall
28 utilize employee generation estimates that are calculated
29 on either an individual project or categorical basis, in
30 accordance with subparagraph (A). Those employee
31 generation estimates shall be based upon commercial and
32 industrial factors within the district or upon, in whole or
33 in part, the applicable employee generation estimates set
34 forth in the January 1990 edition of "San Diego Traffic
35 Generators," a report of the San Diego Association of
36 Governments.

37 (C) The governing board shall take into account the
38 results of that study in making the findings described in
39 this subdivision.



(2) In addition to any other requirement imposed by law, in the case of any development project against which a fee, charge, dedication, or other requirement is to be imposed pursuant to Section 53080 on the basis of a category of commercial or industrial development, as described in paragraph (1), the governing board shall provide a process that permits the party against whom the fee, charge, dedication, or other requirement is to be imposed the opportunity for a hearing to appeal that imposition. The grounds for that appeal include, but are not limited to, the inaccuracy of including the project within the category pursuant to which the fee, charge, dedication, or other requirement is to be imposed, or that the employee generation or pupil generation factors utilized under the applicable category are inaccurate as applied to the project. The party appealing the imposition of the fee, charge, dedication, or other requirement shall bear the burden of establishing that the fee, charge, dedication, or other requirement is improper.

(f) Notwithstanding any other provision of this section, any fee, charge, dedication, or other requirement levied or imposed pursuant to this section on a residential development project that includes units for lower income households or very low income households, as described in paragraph (1) of subdivision (d) of Section 66007 of the Government Code, shall be deferred pursuant to paragraph (2) of subdivision (d) of Section 66007 of the Government Code.

SEC. 5. Chapter 2 (commencing with Section 100400) is added to Part 66 of the Education Code, to read:

CHAPTER 2. POLANCO-MURRAY CLASS SIZE REDUCTION
AND PUBLIC EDUCATION FACILITIES BOND ACT

Article 1. General Provisions

100400. This chapter shall be known and may be cited as the Polanco-Murray Class Size Reduction and Public Education Facilities Bond Act.

1 100405. The incorporation of, or reference to, any
2 provisions of California statutory law in this chapter
3 includes all acts amendatory thereof and supplementary
4 thereto.

5
6 Article 2. School Facilities Program Provisions
7

8 100410. Four billion dollars (\$4,000,000,000) of the
9 proceeds of bonds issued and sold pursuant to this chapter
10 shall be deposited in the State School Building Fund,
11 which is hereby created in the State Treasury, and
12 allocated by the Superintendent of Public Instruction
13 pursuant to this chapter.

14 100415. All moneys deposited in the State School
15 Building Fund pursuant to Section 100410 shall be
16 available, and are hereby continuously appropriated, to
17 provide aid to school districts of the state in accordance
18 with Sections 100420, 100425, 100426, 100430, and 100435,
19 to provide funds to repay any money advanced or loaned
20 to the State School Building Fund under any act of the
21 Legislature, together with interest provided for in that
22 act, and to reimburse the General Obligation Bond
23 Expense Revolving Fund pursuant to Section 16724.5 of
24 the Government Code.

25 100420. The proceeds from the sale of bonds pursuant
26 to this chapter shall be allocated in an equal amount per
27 pupil, with each school district in the state entitled to
28 receive an allocation for each pupil enrolled in
29 kindergarten and grades 1 to 12, inclusive, in the school
30 district in the prior school year in accordance with both
31 of the following:

32 (a) The school district adopts a resolution certifying
33 that it will contribute 50 percent of the capital
34 expenditures on the construction project or projects.
35 Local district contributions of land and equipment for
36 school construction shall count toward the 50 percent
37 district portion of capital expenditure.

38 (b) The school district adopts a resolution specifying
39 how bond proceeds will be used at the local level at least

1 30 days prior to the approval of this chapter by the state
2 electorate.

3 100421. The Superintendent of Public Instruction
4 may waive the 50 percent capital expenditure
5 requirement for a local district set forth in Section 100420
6 if the superintendent determines that at least one of the
7 following conditions are met:

8 (a) The district has a fiscal hardship which makes it
9 impossible to meet the 50 percent requirement.

10 (b) The district has recently placed a local bond
11 measure before the electorate and received a vote
12 greater than 50 percent.

13 (c) The district has at least 20 percent of its pupils
14 attending school on a multitrack year-round school
15 schedule.

16 100424. Of the proceeds from the sale of bonds
17 pursuant to this chapter, not more than ____ percent
18 may be used to assist school districts with financial
19 hardships that are in need of school facilities for the
20 purposes specified in Section 100431.

21 100425. Of the proceeds from the sale of bonds
22 pursuant to this chapter, not more than ____ percent
23 may be used to assist school districts for the purposes
24 specified in Section 100430, and shall be allocated based
25 upon the number of unhoused pupils in each school
26 district in the prior school year, as determined under state
27 loading standards established pursuant to Chapter 12
28 (commencing with Section 17000) of Part 10.

29 100426. Of the proceeds from the sale of bonds
30 pursuant to this chapter, not more than 25 percent may
31 be used to assist school districts for the purposes specified
32 in Section 100435, and shall be allocated in an equal
33 amount per pupil, with each school district in the state
34 entitled to receive an allocation for each pupil enrolled in
35 kindergarten and grades 1 to 12, inclusive, in the school
36 district in the prior school year.

37 100430. (a) A school district may expend any funds
38 allocated to it pursuant to Section 100420 or Section
39 100425 for any of the following purposes related to a
40 school building construction project:

1 (1) Acquisition of real property and preparation of
2 real property for construction.

3 (2) Architectural services.

4 (3) Construction related to new and existing school
5 buildings, including reconstruction or modernization of
6 existing facilities.

7 (4) Improvements to real property, including, but not
8 limited to, grading and road construction.

9 (5) Furniture, equipment, and related fixtures.

10 (6) Construction-related expenditures, including, but
11 not limited to, environmental impact reports and
12 geological surveys.

13 (7) Reconstruction or modernization of an existing
14 structure for educational technology infrastructure. For
15 purposes of this section, “educational technology
16 infrastructure” only includes the wiring and cabling to
17 enable a school to use technology-based materials,
18 equipment, systems, and networks and does not include
19 computer hardware or software, or multimedia audio,
20 video, and data transfer equipment.

21 (8) The purchase and installation of air-conditioning
22 and installation materials, and related costs, pursuant to
23 Section 42250.1.

24 (b) It is the intent of the Legislature that school
25 districts give first priority for the use of the proceeds of
26 bonds issued and sold pursuant to this chapter to assist
27 with the facilities-related costs associated with fully
28 participating in the Class Size Reduction Program
29 contained in Chapter 6.10 (commencing with Section
30 52120) of Part 28.

31 100431. The Superintendent of Public Instruction
32 may allocate funds pursuant to Section 100424 for any of
33 the following purposes:

34 (a) Emergency portable classrooms.

35 (b) Emergency repairs for school facilities damaged
36 by a natural disaster.

37 (c) Necessary small schools, as defined in Section
38 42283.

1 100435. A school district may expend any of the funds
2 allocated to it pursuant to Section 100426 for capital outlay
3 needs related to education technology.

4 100437. Notwithstanding Sections 16019 and 17730,
5 school districts shall be eligible for funds regardless of
6 previous participation in the state lease-purchase
7 program. Under no circumstances may participating
8 districts be required to place property liens upon, or
9 transfer title of, district property as a condition of
10 receiving bond funds under this chapter.

11 100438. Bond funds allocated to local districts that are
12 not encumbered within 18 months after the enactment of
13 this measure shall revert to the Superintendent of Public
14 Instruction for reallocation pursuant to Sections 100424
15 and 100425.

16
17 Article 3. Fiscal Provisions
18

19 100500. Bonds in the total amount of four billion
20 dollars (\$4,000,000,000), not including the amount of any
21 refunding bonds issued in accordance with Section
22 100555, or so much thereof as is necessary, may be issued
23 and sold to provide a fund to be used for carrying out the
24 purposes expressed in this chapter and to reimburse the
25 General Obligation Bond Expense Revolving Fund
26 pursuant to Section 16724.5 of the Government Code. The
27 bonds, when sold, shall be and constitute a valid and
28 binding obligation of the State of California, and the full
29 faith and credit of the State of California is hereby
30 pledged for the punctual payment of the principal of, and
31 interest on, the bonds as the principal and interest
32 become due and payable.

33 100505. The State School Building Finance
34 Committee, created by Section 15909 and composed of
35 the Governor, Controller, Treasurer, Director of
36 Finance, and the Superintendent of Public Instruction, or
37 their designated representatives, all of whom shall serve
38 thereon without compensation, and a majority of whom
39 shall constitute a quorum, is continued in existence for
40 the purpose of this chapter. The Treasurer shall be

1 designated to chair the committee. Two Members of the
2 Senate appointed by the Senate Committee on Rules, and
3 two Members of the Assembly appointed by the Speaker
4 of the Assembly, shall meet with and provide advice to
5 the committee to the extent that the advisory
6 participation is not incompatible with their respective
7 positions as Members of the Legislature. For the purposes
8 of this chapter, the Members of the Legislature shall
9 constitute an interim investigating committee on the
10 subject of this chapter and, as that committee, shall have
11 the powers and duties imposed upon those committees by
12 the Joint Rules of the Senate and the Assembly. The
13 Director of Finance shall provide the assistance to the
14 committee as it may require. The Attorney General of the
15 state shall be the legal adviser of the committee.

16 100510. (a) The bonds authorized by this chapter
17 shall be prepared, executed, issued, sold, paid, and
18 redeemed as provided in the State General Obligation
19 Bond Law (Chapter 4 (commencing with Section 16720)
20 of Part 3 of Division 4 of Title 2 of the Government Code),
21 and all of the provisions of that law, except Section 16727
22 of the Government Code, apply to the bonds and to this
23 chapter and are hereby incorporated in this chapter as
24 though set forth in full in this chapter.

25 (b) For purposes of the State General Obligation Bond
26 Law, the Superintendent of Public Instruction is
27 designated the “board” for purposes of administering the
28 deposits to the State School Building Fund made pursuant
29 to this chapter.

30 100520. Upon request of the Superintendent of Public
31 Instruction from time to time, supported by a statement
32 of the apportionments made and to be made for the
33 purposes described in Sections 100420, 100425, 100426,
34 100430, and 100435, the State School Building Finance
35 Committee created pursuant to Section 15909 shall
36 determine whether or not it is necessary or desirable to
37 issue bonds authorized pursuant to this chapter in order
38 to fund the apportionments and, if so, the amount of
39 bonds to be issued and sold. Successive issues of bonds
40 may be authorized and sold to fund those apportionments

1 progressively, and it is not necessary that all of the bonds
2 authorized to be issued be sold at any one time.

3 100525. There shall be collected each year and in the
4 same manner and at the same time as other state revenue
5 is collected, in addition to the ordinary revenues of the
6 state, a sum in an amount required to pay the principal
7 of, and interest on, the bonds each year. It is the duty of
8 all officers charged by law with any duty in regard to the
9 collection of the revenue to do and perform each and
10 every act which is necessary to collect that additional
11 sum.

12 100530. Notwithstanding Section 13340 of the
13 Government Code, there is hereby appropriated from
14 the General Fund in the State Treasury, for the purposes
15 of this chapter, an amount that will equal the total of the
16 following:

17 (a) The sum annually necessary to pay the principal of,
18 and interest on, bonds issued and sold pursuant to this
19 chapter, as the principal and interest become due and
20 payable.

21 (b) The sum necessary to carry out Section 100545,
22 appropriated without regard to fiscal years.

23 100535. The board may request the Pooled Money
24 Investment Board to make a loan from the Pooled Money
25 Investment Account, in accordance with Section 16312 of
26 the Government Code, for the purpose of carrying out
27 this chapter. The amount of the request shall not exceed
28 the amount of the unsold bonds that the committee, by
29 resolution, has authorized to be sold for the purpose of
30 carrying out this chapter. The board shall execute any
31 documents required by the Pooled Money Investment
32 Board to obtain and repay the loan. Any amounts loaned
33 shall be deposited in the fund to be allocated by the board
34 in accordance with this chapter.

35 100540. Notwithstanding any other provision of this
36 chapter, or of the State General Obligation Bond Law, if
37 the Treasurer sells bonds pursuant to this chapter that
38 include a bond counsel opinion to the effect that the
39 interest on the bonds is excluded from gross income for
40 federal tax purposes, subject to designated conditions, the

1 *Treasurer may maintain separate accounts for the*
2 *investment of bond proceeds and for the investment*
3 *earnings on those proceeds. The Treasurer may use or*
4 *direct the use of those proceeds or earnings to pay any*
5 *rebate, penalty, or other payment required under federal*
6 *law or take any other action with respect to the*
7 *investment and use of those bond proceeds required or*
8 *desirable under federal law to maintain the tax-exempt*
9 *status of those bonds and to obtain any other advantage*
10 *under federal law on behalf of the funds of this state.*

11 *100545. For the purposes of carrying out this chapter,*
12 *the Director of Finance may authorize the withdrawal*
13 *from the General Fund of an amount not to exceed the*
14 *amount of the unsold bonds that have been authorized by*
15 *the State School Building Finance Committee to be sold*
16 *for the purpose of carrying out this chapter. Any amounts*
17 *withdrawn shall be deposited in the State School Building*
18 *Fund. Any money made available under this section shall*
19 *be returned to the General Fund, plus an amount equal*
20 *to the interest that the money would have earned in the*
21 *Pooled Money Investment Account, from proceeds*
22 *received from the sale of bonds for the purpose of*
23 *carrying out this chapter.*

24 *100550. All money deposited in the State School*
25 *Building Fund that is derived from premium and accrued*
26 *interest on bonds sold shall be reserved in the fund and*
27 *shall be available for transfer to the General Fund as a*
28 *credit to expenditures for bond interest.*

29 *100555. The bonds may be refunded in accordance*
30 *with Article 6 (commencing with Section 16780) of*
31 *Chapter 4 of Part 3 of Division 4 of Title 2 of the*
32 *Government Code, which is a part of the State General*
33 *Obligation Bond Law. Approval by the voters of the state*
34 *for the issuance of the bonds described in this chapter*
35 *includes the approval of the issuance of any bonds issued*
36 *to refund any bonds originally issued under this chapter*
37 *or any previously issued refunding bonds.*

38 *100560. The Legislature hereby finds and declares*
39 *that, inasmuch as the proceeds from the sale of bonds*
40 *authorized by this chapter are not “proceeds of taxes” as*

1 *that term is used in Article XIII B of the California*
2 *Constitution, the disbursement of these proceeds is not*
3 *subject to the limitations imposed by that article.*

4 *SEC. 6. Section 65995 of the Government Code is*
5 *amended to read:*

6 65995. (a) Except for a fee, charge, dedication, or
7 other requirement authorized under Section ~~53080~~ 17620
8 of the Education Code, or pursuant to Chapter 4.7
9 (commencing with Section 65970), no fee, charge,
10 dedication, or other requirement ~~shall be levied by the~~
11 ~~legislative body of a local agency against a development~~
12 ~~project, as defined in Section 53080, for the construction~~
13 ~~or reconstruction of school facilities for the construction~~
14 *or reconstruction of school facilities shall be levied or*
15 *imposed in connection with, or made a condition of, any*
16 *legislative or administrative act, or both, by any local*
17 *agency involving, but not limited to, the planning, use, or*
18 *development of real property.*

19 (b) In no event shall the amount of any fees, charges,
20 dedications, or other requirements authorized under
21 Section ~~53080~~ 17620 of the Education Code, or pursuant
22 to Chapter 4.7 (commencing with Section 65970), or
23 both, exceed the following:

24 (1) ~~One dollar and fifty cents (\$1.50)~~ (A) ____
25 (\$____) per square foot of assessable space, in the
26 case of any residential development. "Assessable space,"
27 for this purpose, means all of the square footage within
28 the perimeter of a residential structure, not including any
29 carport, walkway, garage, overhang, patio, enclosed
30 patio, detached accessory structure, or similar area. The
31 amount of the square footage within the perimeter of a
32 residential structure shall be calculated by the building
33 department of the city or county issuing the building
34 permit, in accordance with the standard practice of that
35 city or county in calculating structural perimeters.

36 (B) *In addition to the fee, charge, dedication, or other*
37 *requirement specified in subparagraph (A), an*
38 *additional fee, charge, dedication, or other requirement*
39 *of up to ____ (\$____) per square foot of assessable*
40 *space may be levied by the governing board of a school*

1 district against that residential construction described in
2 subparagraphs (B) and (C) of paragraph (1) of
3 subdivision (a) of Section 17620 of the Education Code for
4 the construction or reconstruction of school facilities if
5 both of the following conditions are met:

6 (i) On or after January 1, 1994, the school district has
7 incurred bonded indebtedness for school facilities
8 construction in an amount not less than 15 percent of its
9 bonding capacity or has submitted to the voters a
10 proposal to incur bonded indebtedness for school
11 facilities construction in an amount not less than 15
12 percent of its bonding capacity and the proposal received
13 approval by at least 50 percent of the votes cast in the
14 election at which the proposal was submitted to the
15 voters.

16 (ii) The school district has applied and is deemed
17 eligible by the State Allocation Board for funding under
18 the Leroy F. Greene State School Building
19 Lease-Purchase Law of 1976 contained in Chapter 12
20 (commencing with Section 17000) of Part 10 of the
21 Education Code or any successor state program.

22 (2) In the case of any commercial or industrial
23 development, twenty-five cents (\$0.25) per square foot of
24 chargeable covered and enclosed space. "Chargeable
25 covered and enclosed space," for this purpose, means the
26 covered and enclosed space determined to be within the
27 perimeter of a commercial or industrial structure, not
28 including any storage areas incidental to the principal use
29 of the development, garage, parking structure,
30 unenclosed walkway, or utility or disposal area. The
31 determination of the chargeable covered and enclosed
32 space within the perimeter of a commercial or industrial
33 structure shall be made by the building department of the
34 city or county issuing the building permit, in accordance
35 with the building standards of that city or county.

36 (3) The amount of the limits set forth in paragraphs
37 (1) and (2) shall be increased in 1990, and every two years
38 thereafter, according to the adjustment for inflation set
39 forth in the statewide cost index for class B construction,
40 as determined by the State Allocation Board at its January

1 meeting, which increase shall be effective as of the date
2 of that meeting. ~~The State Allocation Board shall not raise~~
3 ~~the amount of the district matching share calculated~~
4 ~~under Section 17705.5 of the Education Code, as a result~~
5 ~~of the increase under this paragraph, until at least 90 days~~
6 ~~after the date of that increase.~~

7 (c) (1) Notwithstanding any other provision of law,
8 during the term of any contract entered into between a
9 subdivider or builder and a school district, city, county, or
10 city and county, whether general law or chartered, on or
11 before January 1, 1987, that requires the payment of a fee,
12 charge, or dedication for the construction of school
13 facilities as a condition to the approval of residential
14 development, neither Section ~~53080~~ 17620 of the
15 Education Code nor this chapter applies to that
16 residential development.

17 (2) ~~Any~~ *Except as provided in paragraph (1), any*
18 *development project for which a final map was approved*
19 *and construction on or off the area shown on the map had*
20 *commenced in furtherance of the project on or before*
21 ~~September 1, 1986~~ *November 5, 1996, is subject to only the*
22 *fee, charge, dedication, or other requirement prescribed*
23 *in any local ordinance in existence on that date and*
24 ~~applicable to the project operative and applicable to the~~
25 *project on that date.*

26 (d) For purposes of Section ~~53080~~ 17620 of the
27 Education Code and this chapter, “residential,
28 commercial, or industrial development” does not include
29 any facility used exclusively for religious purposes that is
30 thereby exempt from property taxation under the laws of
31 this state, any facility used exclusively as a private
32 full-time day school as described in Section 48222 of the
33 Education Code, or any facility that is owned and
34 occupied by one or more agencies of federal, state, or
35 local government. In addition, “commercial or industrial
36 development” includes, but is not limited to, any hotel,
37 inn, motel, tourist home, or other lodging for which the
38 maximum term of occupancy for guests does not exceed
39 30 days, but does not include any residential hotel, as

1 defined in paragraph (1) of subdivision (b) of Section
2 50519 of the Health and Safety Code.

3 (e) The Legislature finds and declares that the subject
4 ~~of the~~ financing of school facilities ~~with development fees~~
5 ~~is a matter~~ and the mitigation of the impacts of land use
6 *approvals, whether legislative or administrative, or both,*
7 *on the need for school facilities* are matters of statewide
8 concern. For this reason, the Legislature hereby occupies
9 the subject ~~matter of mandatory development fees and~~
10 ~~other development requirements~~ *matters of the*
11 *financing of school facilities and the mitigation of the*
12 *impacts of land-use approvals, whether legislative or*
13 *administrative, or both, on the need for school facilities*
14 ~~finance~~, to the exclusion of all ~~local~~ other measures on the
15 subject.

16 (f) Nothing in this section shall be interpreted to limit
17 or prohibit the use of Chapter 2.5 (commencing with
18 Section 53311) of Division 2 of Title 5 to finance the
19 construction or reconstruction of school facilities.

20 (g) ~~This section shall become inoperative on January~~
21 ~~1, 1993, and shall remain inoperative until the date that~~
22 ~~Assembly Constitutional Amendment 6 of the 1991-92~~
23 ~~Regular Session fails to receive the approval of a majority~~
24 ~~of the voters voting on the measure, and as of that date~~
25 ~~this section shall become operative.~~ *Participation in a*
26 *community facilities district shall not be made a condition*
27 *of approval of any legislative or administrative act, or*
28 *both, involving, but not limited to, the planning, use, or*
29 *development of real property or any change in*
30 *governmental organization or reorganization, as defined*
31 *in Sections 56021 and 56073. Participation or*
32 *nonparticipation in a community facilities district shall*
33 *not be considered when determining whether to approve*
34 *or disapprove any legislative or administrative act, or*
35 *both, involving, but not limited to, the planning, use, or*
36 *development of real property or any change in*
37 *governmental organization or reorganization, as defined*
38 *in Sections 56021 and 56073.*

39 SEC. 7. Section 65995.4 is added to the Government
40 Code, to read:

1 65995.4. After the issuance of the certificate of
2 compliance pursuant to subdivision (b) of Section 17620
3 of the Education Code, no additional fee for school
4 facilities may be required for the issuance of a building
5 permit. This section is declaratory of existing law.

6 SEC. 8. Section 65996 of the Government Code is
7 amended to read:

8 65996. (a) ~~The~~ Subject to the limitations set forth in
9 Section 65995, the following provisions shall be the
10 exclusive methods of mitigating ~~environmental~~ effects
11 related to the adequacy of school facilities when
12 considering the approval or the establishment of
13 conditions for the approval of a development project, as
14 defined in Section 53080, pursuant to Division 13
15 (~~commencing with Section 21000~~) of the Public
16 Resources Code in connection with any legislative or
17 administrative act, or both, by any local agency involving,
18 but not limited to, the planning, use, or development of
19 real property or any change of governmental
20 organization or reorganization, as defined in Sections
21 56021 and 56073:

22 (1) Chapter 22 12 (commencing with Section 47700
23 17000) of Part 10 of the Education Code.

24 (2) Chapter 25 14 (commencing with Section 47785
25 17085) of Part 10 of the Education Code.

26 (3) Chapter 28 18 (commencing with Section 47870
27 17170) of Part 10 of the Education Code.

28 (4) Article 2.5 (commencing with Section 39327
29 17430) of Chapter 3 4 of Part 23 10.5 of the Education
30 Code.

31 (5) Section 53080 17620 of the ~~Government~~ Education
32 Code.

33 (6) Chapter 2.5 (~~commencing with Section 53311~~) of
34 Division 2 of Title 5 of the Government Code.

35 (7) Chapter 4.7 (commencing with Section 65970) of
36 Division 1 of Title 7 of the Government Code.

37 (b) ~~No public agency shall, pursuant to Division 13~~
38 (~~commencing with Section 21000~~) of the Public
39 Resources Code or Division 2 (~~commencing with Section~~
40 66410) of this code, deny approval of a project on the basis

1 ~~of the adequacy of school facilities.~~ *Except for the*
2 *authority granted by Section 17060 of the Education*
3 *Code, Section 65970, and this chapter, no state or local*
4 *agency shall consider the adequacy of school facilities nor*
5 *consider any condition, standard, policy, or requirement*
6 *concerning the adequacy of school facilities contained in*
7 *a general plan, specific plan, zoning ordinance, or similar*
8 *local legislative enactment, whether adopted before or*
9 *after January 1, 1999, in connection with any legislative or*
10 *administrative act, or both, involving, but not limited to,*
11 *the planning, use, or development of real property or any*
12 *change in governmental organization or reorganization,*
13 *as defined in Sections 56021 and 56073.*

14 (c) ~~This section shall become inoperative on January~~
15 ~~1, 1993, and shall remain inoperative until the date that~~
16 ~~Assembly Constitutional Amendment 6 of the 1991-92~~
17 ~~Regular Session fails to receive the approval of a majority~~
18 ~~of the voters voting on the measure, and as of that date~~
19 ~~this section shall become operative~~ *not affect any*
20 *conditions imposed by a state or local agency in*
21 *connection with the approval of the development or*
22 *specific real property, nor shall it affect the obligations*
23 *under any contract entered into between a builder or an*
24 *owner or developer of real property with any school*
25 *district, city, county, or city and county, whether general*
26 *law or chartered, prior to January 1, 1999.*

27 SEC. 9. *Section 66007 of the Government Code is*
28 *amended to read:*

29 66007. (a) Except as otherwise provided in
30 subdivision (b), any local agency which imposes any fees
31 or charges on a residential development for the
32 construction of public improvements or facilities shall not
33 require the payment of those fees or charges,
34 notwithstanding any other provision of law, until the date
35 of the final inspection, or the date the certificate of
36 occupancy is issued, whichever occurs first. However,
37 utility service fees may be collected at the time an
38 application for utility service is received. If the residential
39 development contains more than one dwelling, the local
40 agency may determine whether the fees or charges shall

1 be paid on a pro rata basis for each dwelling when it
2 receives its final inspection or certificate of occupancy,
3 whichever occurs first; on a pro rata basis when a certain
4 percentage of the dwellings have received their final
5 inspection or certificate of occupancy, whichever occurs
6 first; or on a lump-sum basis when the first dwelling in the
7 development receives its final inspection or certificate of
8 occupancy, whichever occurs first.

9 (b) (1) Notwithstanding subdivision (a), the local
10 agency may require the payment of those fees or charges
11 at an earlier time if ~~(1) the~~ *either of the following occur*:

12 (A) *The* local agency determines that the fees or
13 charges will be collected for public improvements or
14 facilities for which an account has been established and
15 funds appropriated and for which the local agency has
16 adopted a proposed construction schedule or plan prior
17 to final inspection or issuance of the certificate of
18 occupancy ~~or (2) the~~.

19 (B) *The* fees or charges are to reimburse the local
20 agency for expenditures previously made.
21 ~~“Appropriated,” as~~

22 (2) As used in this subdivision, “*appropriated*” means
23 authorization by the governing body of the local agency
24 for which the fee is collected to make expenditures and
25 incur obligations for specific purposes.

26 (c) (1) If any fee or charge specified in subdivision
27 (a) is not fully paid prior to issuance of a building permit
28 for construction of any portion of the residential
29 development encumbered thereby, the local agency
30 issuing the building permit may require the property
31 owner, or lessee if the lessee’s interest appears of record,
32 as a condition of issuance of the building permit, to
33 execute a contract to pay the fee or charge, or applicable
34 portion thereof, within the time specified in subdivision
35 (a). If the fee or charge is prorated pursuant to
36 subdivision (a), the obligation under the contract shall be
37 similarly prorated.

38 (2) The obligation to pay the fee or charge shall inure
39 to the benefit of, and be enforceable by, the local agency
40 that imposed the fee or charge, regardless of whether it

1 is a party to the contract. The contract shall contain a legal
2 description of the property affected, shall be recorded in
3 the office of the county recorder of the county and, from
4 the date of recordation, shall constitute a lien for the
5 payment of the fee or charge, which shall be enforceable
6 against successors in interest to the property owner or
7 lessee at the time of issuance of the building permit. The
8 contract shall be recorded in the grantor-grantee index in
9 the name of the public agency issuing the building permit
10 as grantee and in the name of the property owner or
11 lessee as grantor. The local agency shall record a release
12 of the obligation, containing a legal description of the
13 property, in the event the obligation is paid in full, or a
14 partial release in the event the fee or charge is prorated
15 pursuant to subdivision (a).

16 (3) The contract may require the property owner or
17 lessee to provide appropriate notification of the opening
18 of any escrow for the sale of the property for which the
19 building permit was issued and to provide in the escrow
20 instructions that the fee or charge be paid to the local
21 agency imposing the same from the sale proceeds in
22 escrow prior to disbursing proceeds to the seller.

23 (d) *(1) Notwithstanding subdivisions (a) and (b), the*
24 *payment of any fee, charge, dedication, or other*
25 *requirement imposed pursuant to Section 17620 or 17621*
26 *of the Education Code, or subdivision (c) of Section*
27 *65996, for the purpose of funding the construction or*
28 *reconstruction of school facilities, shall be deferred*
29 *pursuant to paragraph (2) for residential development*
30 *projects that meet one or more of the following*
31 *requirements:*

32 (A) *At least 10 percent of the rental units of the*
33 *residential development project have affordable rent, as*
34 *defined in Section 50053 of the Health and Safety Code,*
35 *for very low income households, as defined in Section*
36 *50105 of the Health and Safety Code.*

37 (B) *At least 49 percent of the rental units of the*
38 *residential development project have affordable rent, as*
39 *defined in Section 50053 of the Health and Safety Code,*

1 *for lower income households, as defined in Section*
2 *50079.5 of the Health and Safety Code.*

3 *(C) At least 10 percent of the for-sale units of the*
4 *residential development project meet the affordable*
5 *housing cost requirements set forth in Section 50052.5 of*
6 *the Health and Safety Code for very low income*
7 *households, as defined in Section 50105 of the Health and*
8 *Safety Code.*

9 *(D) At least 49 percent of the for-sale units of the*
10 *residential development project meet the affordable*
11 *housing cost requirements set forth in Section 50052.5 of*
12 *the Health and Safety Code for lower income households,*
13 *as defined in Section 50079.5 of the Health and Safety*
14 *Code.*

15 *(2) For a single family for-sale project, any fee, charge,*
16 *dedication, or other requirement described in paragraph*
17 *(1) shall be deferred until the close of an escrow of the*
18 *first affected dwelling unit in the project. For a*
19 *multifamily rental project, any fee, charge, dedication, or*
20 *other requirement shall be deferred until close of*
21 *permanent financing escrow following completion of the*
22 *project; except that no deferral pursuant to this*
23 *subdivision shall extend more than 15 months following*
24 *substantial completion of the project. A down payment*
25 *shall be paid on any fee, charge, dedication, or other*
26 *requirement imposed on a residential development*
27 *project for which a deferral was received pursuant to this*
28 *subdivision in an amount equal to 10 percent of any fee,*
29 *charge, dedication, or other requirement imposed on the*
30 *residential development project at the times specified in*
31 *subdivision (a) or (b), or as applicable.*

32 *(3) For purposes of this subdivision, 'residential*
33 *development project' means housing financed, all or in*
34 *part, by local, state, or federal loans, grants, or tax credits,*
35 *or housing in which the developer is a nonprofit*
36 *corporation that is exempt from taxation pursuant to*
37 *Section 501(c)(3) of the Internal Revenue Code as*
38 *amended in 1986.*

39 *(e) This section applies only to fees collected by a local*
40 *agency to fund the construction of public improvements*

1 or facilities. It does not apply to fees collected to cover the
2 cost of code enforcement or inspection services, or to
3 other fees collected to pay for the cost of enforcement of
4 local ordinances or state law.

5 ~~(e)~~

6 (f) “Final inspection” or “certificate of occupancy,” as
7 used in this section, have the same meaning as described
8 in Sections 305 and 307 of the Uniform Building Code,
9 International Conference of Building Officials, 1985
10 Edition.

11 ~~(f)~~

12 (g) Methods of complying with the requirement in
13 subdivision (b) that a proposed construction schedule or
14 plan be adopted, include, but are not limited to, (1) the
15 adoption of the capital improvement plan described in
16 Section 66002, or (2) the submittal of a five-year plan for
17 construction and rehabilitation of school facilities
18 pursuant to subdivision (c) of Section ~~17717.5~~ 17017.5 of
19 the Education Code.

20 *SEC. 10. (a) Section 5 of this act shall become*
21 *effective upon the approval by the voters, at the June 2,*
22 *1998, primary election, or at an earlier statewide general*
23 *election, if such an election is held, of the Polanco-Murray*
24 *Class Size Reduction and Public Education Facilities*
25 *Bond Act, as set forth in Section 2 of this act.*

26 *(b) Section 5 of this act shall be submitted to the voters*
27 *at the June 2, 1998, primary election, or at an earlier*
28 *statewide general election, if such an election is held, in*
29 *accordance with the provisions of the Government Code*
30 *and Elections Code governing the submission of*
31 *statewide measures to the voters.*

32 *SEC. 11. (a) Notwithstanding any other provision of*
33 *law, with respect to the Polanco-Murray Class Size*
34 *Reduction and Public Education Facilities Bond Act, as*
35 *set forth in Section 5, all ballots of the June 2, 1998,*
36 *primary election, or an earlier statewide general election,*
37 *if such an election is held, shall have printed thereon and*
38 *in a square thereof, exclusively the words:*
39 *“Polanco-Murray Class Size Reduction and Public*
40 *Education Facilities Bond Act” and in the same square*

1 under those words, the following in 8-point type: "This
2 four billion dollar (\$4,000,000,000) bond issue will provide
3 substantial funding for school facilities, including facilities
4 to reduce class size and facilities for unhoused pupils, and
5 provide funds for capital outlay needs related to
6 educational technology to prepare California's pupils for
7 the 21st century. [At this point, the Attorney General shall
8 include the financial impact summary prepared pursuant
9 to Section 9087 of the Elections Code and Section 88003
10 of the Government Code.]" Opposite the square, there
11 shall be left spaces in which the voters may place a cross
12 in the manner required by law to indicate whether they
13 vote for or against the act.

14 (b) Notwithstanding Sections 13247 and 13281 of the
15 Elections Code, the language in subdivision (a) of the
16 condensed statement of the ballot title shall be the only
17 language included in the ballot label for the condensed
18 statement of the ballot title, and the Attorney General
19 shall not supplement, subtract from, or revise that
20 language. The ballot label is the condensed statement of
21 the ballot title and the financial impact summary.

22 (c) Where the voting in the election is done by means
23 of voting machines used pursuant to law in a manner that
24 carries out the intent of this section, the use of the voting
25 machines and the expression of the voters' choice by
26 means thereof are in compliance with this section.

27 SEC. 12. Sections 2, 3, and 4 of this act shall become
28 operative on January 1, 1998.

29
30
31 **All matter omitted in this version of the**
32 **bill appears in the bill as introduced As-**
33 **sembly, December 4, 1996 (JR 11)**
34
35